

Outline of Appendices

1. Distribution of Liability Cost by Age and Group
2. Legal Framework
3. Data For Largest Municipalities
4. Statewide AAL Calculations
5. Boston College Center for Retirement Research Tables

Distribution of Liability Cost by Age and Group

	Group 1	Group 2-4	Total
AAL - Retirees	\$5,996,589,646	\$2,087,081,113	\$8,083,670,759
- Pre-65	\$1,027,950,355	\$685,317,510	\$1,713,267,865
- Post-65 ¹	\$4,968,639,291	\$1,401,763,603	\$6,370,402,894
AAL - Actives	\$6,344,688,679	\$2,140,203,848	\$8,484,892,527
- Pre-65	\$1,824,776,638	\$1,074,800,539	\$2,899,577,177
- Post-65	\$4,519,912,041	\$1,065,403,309	\$5,585,315,350
# of Retirees	43,921	9,529	53,450
# of Actives	61,187	13,616	74,803
# Retirees Pre-65	10,535	4,675	15,210
# Retirees Post-65	33,386	4,854	38,240
\$ PAYGO Pre-65 ²	\$150,032,210	\$71,140,156	\$221,172,366
\$ PAYGO Post-65 ³	\$247,843,885	\$40,299,414	\$288,143,299

Source: Aon Hewitt

Legal Framework

- Public retiree health insurance established in statute
 - State retiree health insurance established in G. L. c. 32A:
 - “The commission shall require that, upon retirement of an employee, the policy or policies of insurance as set forth in section six, except the optional group life insurance referred to therein, shall provide that . . . health insurance . . . as may be applicable, shall be continued.” -- § 10
 - Survivors in § 11
 - Minimum contribution by Commonwealth established in G.L.C.32A, § 8 (75%). Contribution ratios modified in line item language in the annual General Appropriations Act (GAA).
 - State retirees pay between 10 and 20% of premiums based on date of retirement
 - Municipal retiree health insurance established in G. L. c. 32B:
 - A municipality that accepts Chapter 32B must pay a portion of its employees' premiums. It is required to allow an active employee to continue coverage upon retirement, but it does not have to pay any percentage of the premium cost unless it affirmatively votes to cover additional amounts (32B:9).
 - For municipalities that choose to provide health insurance under Chapter 32B (by voting to accept the chapter), the type and amount of insurance is negotiated.
 - The municipality must pay at least 50% of the premium for active employees (32B:7) and may choose to pay an additional amount (32B:7A).
 - The municipality may choose to pay 50% or more of the premium costs of retired employees (for example by local acceptance of 32B:9A and 32B:9E) but is not required to do so.
 - Options to transfer enrollees and dependents to the GIC. § 19 or §§ 21 & 23.
- Participation in a GIC health plan does not create contractual rights:
 - Pensions rights vest:
 - “[Present and past pension] provisions . . . shall be deemed to establish . . . membership in the retirement system as a contractual relationship under which members . . . are entitled to contractual rights and benefits, and no amendments or alterations shall be made that will deprive any such member . . . of their pension rights . . . if such member . . . [has] paid the stipulated contributions.” -G. L. c. 32, § 25(5)
 - No equivalent rights established in Chapter 32A or Chapter 32B

Data For Largest Municipalities

			Massachusetts Taxpayer Foundation Data			PERAC Data				
Rank	Municipality	Census	AAL	Discount Rate	PAYGO	PAYGO		Fund		PAYGO \$
						AAL	Discount Rate	AAL	Discount Rate	
1	BOSTON	617,594	4,553,816,000	5.25%	153,433,000	0	0.00%	2,933,662,000	7.25%	0
2	WORCESTER	181,045	765,312,000	4.00%	20,598,000	765,312,000	4.00%	644,019,000	5.00%	20,599,000
3	SPRINGFIELD	153,060	761,576,067	3.50%	25,004,396	903,666,000	3.50%	0	NA	22,491,000
4	LOWELL	106,519	432,751,582	3.50%	9,685,461	0	0.00%	0	0.00%	0
5	CAMBRIDGE	105,162	598,995,000	4.50%	18,557,960	586,169,000	4.50%	369,720,000	8.00%	21,566,000
6	NEW BEDFORD	95,072	478,609,029	3.50%	12,104,927	0	0.00%	0	0.00%	0
7	BROCKTON	93,810	693,570,000	4.25%	20,808,583	693,571,000	4.25%	433,072,000	7.50%	0
8	QUINCY	92,271	435,548,000	3.50%	10,967,000	478,217,000	3.50%	253,431,000	8.00%	14,513,000
9	LYNN	90,329	450,682,000	8.00%	11,005,000	0	0.00%	0	0.00%	0
10	FALL RIVER	88,857	0	0.00%	0	1,013,289,000	5.00%	677,404,000	8.00%	16,100,000
11	NEWTON	85,146	531,674,551	2.00%	14,141,000	0	0.00%	0	0.00%	0
12	LAWRENCE	76,377	323,977,000	4.00%	8,650,000	0	0.00%	0	0.00%	0
13	SOMERVILLE	75,754	570,928,572	3.50%	15,037,853	0	0.00%	0	0.00%	0
14	FRAMINGHAM	68,318	389,842,640	4.00%	12,181,487	371,530,000	4.00%	202,192,000	8.00%	10,482,000
15	HAVERHILL	60,879	299,042,035	5.00%	12,297,533	0	0.00%	0	0.00%	0
16	WALTHAM	60,632	517,000,000	4.00%	17,868,677	0	0.00%	0	0.00%	0
17	MALDEN	59,450	164,766,000	5.00%	5,308,596	0	0.00%	0	0.00%	0
18	BROOKLINE	58,732	323,000,000	5.25%	9,532,102	207,887,000	7.25%	0	0.00%	9,029,000
19	PLYMOUTH	56,468	264,991,414	4.50%	11,974,550	379,285,000	4.25%	243,028,000	7.50%	0
20	MEDFORD	56,173	247,638,964	3.50%	6,214,685	0	0.00%	0	0.00%	0
21	TAUNTON	55,874	335,113,411	3.50%	6,150,054	322,827,000	4.00%	177,673,000	8.00%	7,612,000
22	CHICOPEE	55,298	165,267,219	5.00%	6,613,068	0	0.00%	0	0.00%	0
23	WEYMOUTH	53,743	131,755,638	8.00%	0	236,107,000	4.25%	154,214,000	7.50%	8,966,000
24	REVERE	51,755	160,287,000	DNS	6,912,000	0	0.00%	0	0.00%	0
25	PEABODY	51,251	419,805,513	3.50%	9,926,324	0	0.00%	0	0.00%	0

Data For Largest Municipalities

			Massachusetts Taxpayer Foundation Data			PERAC Data				
						PAYGO		Fund		
Rank	Municipality	Census	AAL	Discount Rate	PAYGO	AAL	Discount Rate	AAL	Discount Rate	PAYGO \$
26	METHUEN	47,255	209,816,378	4.50%	4,493,986	209,816,000	4.50%	0	0.00%	0
27	BARNSTABLE	45,193	159,321,644	5.00%	5,060,171	#N/A	#N/A	#N/A	#N/A	#N/A
28	PITTSFIELD	44,737	236,149,000	N/A	9,012,100	0	0.00%	0	0.00%	0
29	ATTLEBORO	43,593	274,301,162	4.25%	0	0	0.00%	0	0.00%	0
30	ARLINGTON	42,844	142,348,809	5.25%	8,761,821	164,747,000	4.50%	114,433,000	7.50%	0
31	EVERETT	41,667	137,107,329	4.00%	5,183,195	0	0.00%	0	0.00%	0
32	SALEM	41,340	159,945,511	5.00%	6,799,394	0	4.00%	0	0.00%	0
33	WESTFIELD	41,094	178,430,000	3.75%	5,196,800	0	0.00%	0	0.00%	0
34	LEOMINSTER	40,759	154,772,000	4.50%	4,967,616	212,008,000	4.25%	133,405,000	7.50%	0
35	FITCHBURG	40,318	186,633,518	4.25%	5,736,707	183,129,000	4.25%	117,043,000	7.50%	0
36	BILLERICA	40,243	233,836,000	4.25%	6,970,499	#N/A	#N/A	#N/A	#N/A	#N/A
37	HOLYOKE	39,880	300,166,000	4.00%	7,439,577	0	0.00%	0	0.00%	0
38	BEVERLY	39,502	209,173,000	4.00%	6,028,000	253,700,000	4.00%	135,936,000	8.00%	6,171,000
39	MARLBOROUGH	38,499	111,574,219	3.50%	2,343,652	0	0.00%	0	0.00%	0
40	WOBURN	38,120	208,491,596	5.00%	6,231,320	208,491,000	0.00%	0	0.00%	6,231,000
41	AMHERST	37,819	68,990,212	4.25%	2,139,934	74,870,000	4.25%	50,824,000	7.00%	1,972,000
42	BRAINTREE	35,744	158,006,080	4.88%	5,497,619	192,200,000	4.25%	121,250,000	7.50%	5,718,000
43	SHREWSBURY	35,608	85,122,209	3.50%	1,503,566	0	0.00%	0	0.00%	0
44	CHELSEA	35,177	184,805,511	4.00%	1,860,990	0	0.00%	0	0.00%	0
45	DARTMOUTH	34,032	59,273,000	4.00%	1,647,335	53,357,000	4.00%	0	0.00%	0
46	CHELMSFORD	33,802	162,400,000	4.25%	5,039,678	#N/A	#N/A	#N/A	#N/A	#N/A
47	ANDOVER	33,201	245,108,000	3.50%	5,363,000	214,554,000	4.50%	-704,000	NA	5,491,000
48	NATICK	33,006	111,743,502	4.00%	2,996,584	119,187,000	4.00%	0	NA	3,705,000
49	RANDOLPH	32,112	74,244,455	4.00%	3,210,548	#N/A	#N/A	#N/A	#N/A	#N/A
50	WATERTOWN	31,915	118,381,044	3.50%	3,432,000	0	0.00%	0	0.00%	0

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						PAYGO		Fund		
Rank	Municipality	Census	AAL	Discount Rate	PAYGO	AAL	Discount Rate	AAL	Discount Rate	PAYGO \$
51	FRANKLIN	31,635	79,942,606	4.00%	1,703,321	#N/A	#N/A	#N/A	#N/A	#N/A
52	FALMOUTH	31,531	108,885,975	5.00%	3,232,102	119,412,000	5.00%	76,524,000	8.25%	3,517,000
53	LEXINGTON	31,394	266,938,830	N/A	6,416,495	290,310,000	2.00%	128,385,000	8.00%	5,954,000
54	DRACUT	29,457	137,716,720	4.50%	3,829,363	134,585,000	4.50%	0	0.00%	3,829,000
55	TEWKSBURY	28,961	0	0.00%	0	0	0.00%	0	0.00%	0
56	NEEDHAM	28,886	48,888,127	8.00%	3,446,556	0	0.00%	52,698,000	8.00%	0
57	GLOUCESTER	28,789	147,790,883	4.50%	4,469,661	0	0.00%	0	0.00%	0
58	NORTH ATTLEBOROUGH	28,712	210,177,152	3.50%	3,517,098	#N/A	#N/A	#N/A	#N/A	#N/A
59	NORWOOD	28,602	132,031,024	3.50%	2,771,591	0	0.00%	0	0.00%	0
60	NORTHAMPTON	28,549	110,552,000	N/A	4,085,001	0	0.00%	0	0.00%	0
61	AGAWAM	28,438	157,093,698	4.50%	2,819,815	0	0.00%	0	0.00%	0
62	WEST SPRINGFIELD	28,391	120,129,540	4.25%	3,315,776	0	0.00%	0	0.00%	0
63	NORTH ANDOVER	28,352	114,931,210	4.50%	3,978,109	0	0.00%	0	0.00%	0
64	MILFORD	27,999	55,542,489	4.00%	1,283,547	0	0.00%	0	0.00%	0
65	WELLESLEY	27,982	109,103,295	8.00%	9,519,441	#N/A	#N/A	#N/A	#N/A	#N/A
66	MILTON	27,003	133,000,000	4.00%	4,027,412	107,040,000	4.00%	0	0.00%	3,539,000
67	MELROSE	26,983	152,792,135	4.25%	6,212,736	152,792,000	4.25%	103,132,000	7.50%	0
68	STOUGHTON	26,962	117,348,576	4.25%	3,711,649	#N/A	#N/A	#N/A	#N/A	#N/A
69	SAUGUS	26,628	97,721,169	4.00%	3,487,230	0	0.00%	0	0.00%	0
70	BRIDGEWATER	26,563	0	0.00%	0	34,638,000	4.00%	0	0.00%	0
71	DANVERS	26,493	111,325,000	5.00%	3,886,000	111,325,000	5.00%	83,578,000	7.00%	3,833,000
72	MARSHFIELD	25,132	82,656,569	4.50%	2,160,175	82,216,000	4.50%	0	0.00%	2,183,000
73	WAKEFIELD	24,932	157,557,927	4.00%	4,949,422	0	0.00%	0	0.00%	0
74	READING	24,747	60,022,927	7.75%	3,723,762	93,292,000	4.75%	0	0.00%	3,171,000
75	BELMONT	24,729	166,550,323	5.00%	7,041,276	0	0.00%	0	0.00%	0

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Rank	Municipality	Census	AAL	Discount Rate	PAYGO	AAL	Discount Rate	AAL	Discount Rate	PAYGO \$
76	DEDHAM	24,729	112,625,512	3.50%	2,658,430	0	0.00%	0	0.00%	0
77	BURLINGTON	24,498	137,797,088	5.00%	4,798,467	#N/A	#N/A	#N/A	#N/A	#N/A
78	WALPOLE	24,070	49,374,785	3.50%	1,432,269	66,009,000	3.50%	33,689,000	8.00%	0
79	YARMOUTH	23,793	48,974,804	5.00%	535,273	28,139,000	5.00%	17,888,000	8.25%	797,000
80	MANSFIELD	23,184	0	0.00%	0	74,841,000	4.00%	0	0.00%	0
81	MIDDLEBOROUGH	23,116	102,221,617	4.00%	2,816,904	91,902,000	4.00%	0	NA	3,230,000
82	EASTON	23,112	96,116,025	4.25%	2,349,832	#N/A	#N/A	#N/A	#N/A	#N/A
83	WILMINGTON	22,325	103,081,828	4.50%	2,915,102	#N/A	#N/A	#N/A	#N/A	#N/A
84	HINGHAM	22,157	114,530,349	3.50%	3,762,682	0	0.00%	0	0.00%	0
85	WESTFORD	21,951	55,489,005	4.00%	1,285,537	66,949,000	4.00%	0	0.00%	0
86	ACTON	21,924	48,495,069	4.50%	1,171,938	57,331,000	4.50%	33,214,000	8.13%	1,221,000
87	WAREHAM	21,822	83,050,934	4.00%	2,858,000	87,056,000	4.00%	0	0.00%	0
88	CANTON	21,561	80,263,018	4.25%	2,719,000	0	0.00%	82,383,000	7.50%	0
89	STONEHAM	21,437	108,238,491	3.50%	2,673,681	88,155,000	4.25%	57,976,000	7.50%	0
90	WINCHESTER	21,374	110,278,479	3.50%	2,815,704	0	0.00%	0	0.00%	0
91	LUDLOW	21,103	0	0.00%	0	63,361,000	4.25%	42,264,000	7.50%	0
92	SANDWICH	20,675	0	0.00%	0	103,533,000	5.00%	64,179,000	8.25%	2,318,000
93	GARDNER	20,228	0	0.00%	0	0	0.00%	0	0.00%	0
94	MARBLEHEAD	19,808	116,948,000	4.50%	4,672,000	139,226,000	4.50%	0	0.00%	5,162,000
95	BOURNE	19,754	74,937,141	5.00%	2,154,826	#N/A	#N/A	#N/A	#N/A	#N/A
96	HUDSON	19,063	62,540,431	4.00%	2,386,463	62,052,000	4.00%	0	0.00%	0
97	NORTON	19,031	50,629,936	4.00%	1,678,298	50,630,000	4.00%	0	NA	1,678,000
98	WESTBOROUGH	18,272	#N/A	#N/A	#N/A	0	0.00%	0	0.00%	0
99	SOMERSET	18,165	84,424,000	4.00%	2,913,741	#N/A	#N/A	#N/A	#N/A	#N/A
100	SCITUATE	18,133	#N/A	#N/A	#N/A	57,034,000	4.00%	0	0.00%	1,891,000

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Rank	Municipality	Census	AAL	Discount Rate	PAYGO	AAL	Discount Rate	AAL	Discount Rate	PAYGO \$
101	PEMBROKE	17,837	46,016,000	4.00%	1,356,009	#N/A	#N/A	#N/A	#N/A	#N/A
102	GRAFTON	17,765	#N/A	#N/A	#N/A	32,393,000	4.25%	20,098,000	7.50%	0
103	CONCORD	17,668	#N/A	#N/A	#N/A	52,272,000	4.25%	33,495,000	7.50%	0
104	SUDBURY	17,659	#N/A	#N/A	#N/A	0	0.00%	0	0.00%	0
105	SHARON	17,612	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
106	SOUTH HADLEY	17,514	#N/A	#N/A	#N/A	40,974,000	4.00%	0	NA	1,216,000
107	WINTHROP	17,497	0	0.00%	0	0	0.00%	0	0.00%	0
108	ROCKLAND	17,489	#N/A	#N/A	#N/A	67,653,000	4.00%	0	0.00%	0
109	GREENFIELD	17,456	#N/A	#N/A	#N/A	0	0.00%	0	0.00%	0
110	NEWBURYPORT	17,416	#N/A	#N/A	#N/A	73,830,000	4.00%	0	0.00%	0
111	HOLDEN	17,346	#N/A	#N/A	#N/A	11,382,000	4.00%	0	0.00%	485,000
112	FOXBOROUGH	16,865	#N/A	#N/A	#N/A	0	0.00%	0	0.00%	0
113	WEBSTER	16,767	#N/A	#N/A	#N/A	0	0.00%	0	0.00%	0
114	SOUTHBRIDGE	16,719	#N/A	#N/A	#N/A	46,555,000	4.00%	0	0.00%	1,603,000
115	ASHLAND	16,593	#N/A	#N/A	#N/A	29,258,000	4.00%	0	0.00%	884,000
116	BELLINGHAM	16,332	#N/A	#N/A	#N/A	32,601,000	4.00%	0	0.00%	0
117	AMESBURY	16,283	#N/A	#N/A	#N/A	0	0.00%	0	0.00%	0
118	AUBURN	16,188	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
119	EASTHAMPTON	16,053	#N/A	#N/A	#N/A	29,851,000	5.00%	0	NA	863,000
120	ABINGTON	15,985	#N/A	#N/A	#N/A	47,987,000	4.00%	0	NA	1,863,000
121	FAIRHAVEN	15,873	#N/A	#N/A	#N/A	0	0.00%	0	0.00%	0
122	SWANSEA	15,865	#N/A	#N/A	#N/A	45,742,000	4.00%	0	NA	823,000
123	LONGMEADOW	15,784	#N/A	#N/A	#N/A	40,677,000	4.50%	24,953,000	8.25%	1,345,000
124	EAST LONGMEADOW	15,720	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
125	NORTHBRIDGE	15,707	#N/A	#N/A	#N/A	0	0.00%	0	0.00%	0

Data For Largest Municipalities

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Rank	Municipality	Census	AAL	Discount Rate	PAYGO	AAL	Discount Rate	AAL	Discount Rate	PAYGO \$
126	WESTPORT	15,532	#N/A	#N/A	#N/A	27,512,000	3.50%	13,758,000	8.00%	721,000
127	DUXBURY	15,059	#N/A	#N/A	#N/A	66,675,000	4.25%	41,927,000	7.50%	1,916,000
128	HOPKINTON	14,925	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
129	NORTH READING	14,892	#N/A	#N/A	#N/A	0	0.00%	0	0.00%	0
130	BELCHERTOWN	14,649	#N/A	#N/A	#N/A	25,376,000	4.00%	0	0.00%	479,000
131	WESTWOOD	14,618	#N/A	#N/A	#N/A	49,334,000	3.50%	23,876,000	8.00%	981,000
132	WHITMAN HANSON RSD	14,489	#N/A	#N/A	#N/A	52,240,000	4.00%	0	0.00%	0
133	WILBRAHAM	14,219	#N/A	#N/A	#N/A	19,030,000	5.00%	0	0.00%	493,000
134	DENNIS	14,207	#N/A	#N/A	#N/A	30,596,000	5.00%	19,365,000	8.25%	750,000
135	NORTHBOROUGH	14,155	#N/A	#N/A	#N/A	27,985,000	4.00%	0	0.00%	0
136	MASHPEE	14,006	#N/A	#N/A	#N/A	62,487,000	5.00%	39,644,000	8.25%	1,520,000
137	HANOVER	13,879	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
138	EAST BRIDGEWATER	13,794	#N/A	#N/A	#N/A	33,373,000	4.00%	0	0.00%	1,722,000
139	SWAMPSCOTT	13,787	#N/A	#N/A	#N/A	0	0.00%	0	0.00%	0
140	SEEKONK	13,722	#N/A	#N/A	#N/A	36,243,000	4.00%	22,367,000	8.00%	1,114,000
141	OXFORD	13,709	#N/A	#N/A	#N/A	28,738,000	4.50%	0	0.00%	830,000
142	NORTH ADAMS	13,708	#N/A	#N/A	#N/A	0	0.00%	0	0.00%	0
143	CLINTON	13,606	#N/A	#N/A	#N/A	0	0.00%	0	0.00%	0
144	HOLLISTON	13,547	#N/A	#N/A	#N/A	46,254,000	4.00%	0	0.00%	1,331,000
145	UXBRIDGE	13,457	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
146	RAYNHAM	13,383	#N/A	#N/A	#N/A	16,147,000	4.00%	0	0.00%	449,000
147	BEDFORD	13,320	#N/A	#N/A	#N/A	71,294,000	4.00%	41,062,000	7.50%	1,795,000
148	MILLBURY	13,261	#N/A	#N/A	#N/A	44,703,000	4.00%	0	NA	1,163,000
149	IPSWICH	13,175	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
150	WAYLAND	12,994	#N/A	#N/A	#N/A	45,713,000	7.00%	0	0.00%	2,086,000

Statewide AAL Calculations

- We examined the data on actuarial liabilities for the largest 150 municipalities
- Of those 150, we had data from either the Massachusetts Taxpayer Foundation or PERAC for 128 of them
- These 128 municipalities had a liability of \$25.5 billion
- The population of these 128 municipalities is 79% of the total state population
- Using this data, we estimated that the statewide unfunded liability is \$30 billion

Table 3A. States that Pro-Rate the Health Insurance Premium as a Percentage of the Total Premium

Note: This table is the original table from the Center for Retirement Research, and do not reflect certain updates which are in earlier slides.

State	Maximum Subsidy		Pro-Rate Formula
	Years of Service	Percent of Premium	
Alabama	25	100	2 percent reduction per year of service below 25 years
California ^a	20	100	5 percent reduction per year of service below 20 years
Delaware	20	100	25 percent reduction for every 5 years of service below 20 years
Illinois	20	100	5 percent reduction per year of service below 20 years
Louisiana	20	75	18-19 percent reduction for every 5 years below 20 years
Maine ^b	10	100	10 percent reduction per year of service below 10 years.
Maryland ^b	16	100	0.5208 percent reduction per month of service below 16 years
Nebraska ^c	28	100	90 percent for 20-27 years of service, 70 percent for those with 16-19 years of service, and 50 percent for those with 10-15 years of service
New Mexico	20	100	6.25 percent reduction per year of service below 20 years
North Carolina	20	100	50 percent reduction per year of service below 20 years
Ohio	30	100	5 percent reduction per year of service below 30 years
Rhode Island	28	100	The state pays 80 percent of the premium for those with at least 20 years of service and provides no subsidy for those with less than 20 years service.
South Carolina ^d	25	100 ^e	The state contributes 100 percent of employer portion of premium for retirees with 25+ years of service, 50 percent for 15-25 years, and no contribution for 5-15 years.

Table 3A Notes

Note: These notes are the original notes from the Center for Retirement Research.

- ^aCalifornia requires that the employee retire within 120 days of termination in order to be eligible for retiree health insurance.
- ^bRequires that the employee retire immediately after termination in order to be eligible for retiree health insurance.
- ^cFor those who retire at age 65 or older. For those who retire between age 60 and 65, 100 percent of the premium is paid for 35 years of service, 90 percent for 28-34 years of service, 70 percent for 16-27 years of service, and 50 percent for 10-15 years of service.
- ^dThe state only subsidizes the employer portion of the health insurance premium. Retirees must always pay the full amount of the employee portion of the premium. Retirees pay a decreasing portion of the employer premium as they accumulate years of service.
- Sources: Retiree Health Plans: A National Assessment (2008), and various annual reports and benefit handbooks.

Table 3C. States That Pro-Rate Health Insurance Premium as a Dollar Amount

Note: This table is the original table from the Center for Retirement Research, and do not reflect certain updates which are in earlier slides.

State	Maximum Subsidy		Pro-Rate Formula
	Years of Service	Dollar Amount	
Arizona ^a	10	\$150	\$15 reduction per year of service below 10 years
Colorado ^b	20	\$230	5 percent reduction per year of service below 20 years
Hawaii	25	\$445.54	25 percent reduction 15-25 years of service and 50 percent reduction for 10-15 years of service
Kentucky	N/A	N/A	\$15 (\$10) per year of service for Hazardous (Non-Hazardous)
Nevada	20	\$191 to \$477	\$27 subsidy reduction per year of service below 20 years
North Dakota	N/A	N/A	\$4.50 per year of service
Oregon	30	\$253	\$25-\$26 subsidy reduction per 5 years of service below 30 years
Tennessee	30	Retiree pays \$96 - \$102 premium	\$143-\$152 for 20-29 years of service, and \$191-\$203 for less than 20 years of service
Virginia	N/A	N/A	\$4.00 per year of service

Table 3C Notes

Note: These notes are the original notes from the Center for Retirement Research.

- ^aFor non-Medicare-eligible retirees. For Medicare eligible retirees a maximum subsidy of \$100 is allowed for those with at least 10 years service with a \$10 subsidy reduction per year of service below 10 years.
- ^bFor non-Medicare-eligible retirees. For Medicare eligible retirees a maximum subsidy of \$115 is allowed for those with at least 20 years service with a 5 percent subsidy reduction per year of service below 20 years.
- Sources: Retiree Health Plans: A National Assessment (2008), and various annual reports and benefit handbooks.